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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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PRICES RISING SHORT GRAIN CROP

The outstanding development of the last month, as respects the growing crops, was the drought. The month of June proved to be one of the driest on record and included some record heat waves. Virtually the whole interior of the country east of the Rocky Mountains, has suffered damage to crops and pastures.

The small grains, being at the susceptible stage, have been injured most. It appears that the total outturn of small grains will be the smallest in a generation. The oats crop is practically ruined over wide sections from Ohio westward; a considerable percentage of it has been cut for hay where the straw was long enough to make this worth while.

Wheat shows injury which has been rated in the markets as "sensational." In Nebraska and South Dakota, for example, the reports indicate a crop only a fraction of normal, and wide areas elsewhere in the Wheat Belt show an exceedingly thin crop, with short straw and a great deal of shriveled grain. It has been cut for hay in many sections. The wheat harvest is now in full swing. Early threshing reports confirm the indications of a crop so short as to bring the United States down close to a domestic basis.

Neither corn nor cotton has been badly injured by the drought as yet. Corn is generally reported in good condition; it has begun to show the effects of heat and dry weather but still has time to develop if it gets rains. Cotton is in fairly good condition, but is late in parts of the western belt and is now generally in need of rain.

In addition to the crop news, there have been plenty of other significant developments within the month. The Agricultural Adjustment Administration has announced a program for reduction of cotton, wheat, and tobacco acreages, with producers to benefit from funds to be raised by a processing tax on these crops. The dollar has fallen further in relation to the gold currencies. Prices of grains and cotton have risen further, grain to the highest levels in 3 years. July wheat has doubled in price since last September. Potato prices have advanced substantially. The average of prices of farm products received by farmers has advanced about 25 percent since the low point in February.

Stocks of dairy products in storage June 1 totaled about 16 percent less than a year previous. Eggs, on the other hand, are piling up in storage. Stocks of lard, pork, and beef are light. Exports continue light. Domestic consumption of such products as cotton and wool has increased markedly.

THE FRUIT AND VEGETABLE SITUATION

Hot weather throughout the country during June helped to increase the demand for fruits and melons. These products were selling generally higher than last year at this time. Markets for potatoes, both old and new stock, were active and strong, with prices showing advances during late June. Markets for onions also had improved, partly because of the relatively light supplies. Tomatoes were abundant and prices rather low. Lettuce was bringing fair returns.

Total shipments of fruits and vegetables had increased slightly, but the daily average for 35 leading products was still around 2,500 cars. Fully two-thirds of the total output recently consisted of potatoes, tomatoes, oranges, watermelons, and cantaloupes. Because of the light crop in Imperial Valley, supplies of cantaloupes were only about half those to the same time in 1932. Watermelons also were running shorter than last season, but new potatoes and lettuce were more abundant.

PEACHES, MELONS, AND OTHER FRUITS MEETING GOOD DEMAND

Peak of the southeastern watermelon season and of Imperial Valley cantaloupes was reached about July 1, and peach movement had become quite active. Early varieties of apples, as well as California grapes, were becoming more abundant in city markets. Other fruits also were rather plentiful.

Apples.—June 1 condition of the apple crop for the entire country was 72 percent of normal, or 13 points higher than a year ago and 6 percent above the recent 10-year average. Most of the important Eastern and Western apple States showed average to better-than-average condition. Shipments of new-crop apples were getting under way in several Southern and Central States. Jobbing sales in terminal markets ranged \$1.75 to \$2.50 per bushel basket. June 1 supplies of 1932 apples in cold storage were equivalent to 590,000 barrels or 1,771,000 boxes, this total being 12 percent less than holdings of a year ago but 9 percent greater than the recent 5-year average. Supplies in barrels were about the same as last year but boxes were nearly one third lighter, and bushel baskets were fully one third more abundant than in 1932. Shipments from storage were still averaging 25 cars per day, mostly from Washington and New York. Prices held fairly firm, with Extra Fancy medium to large Winesaps higher in the Pacific Northwest at 95 cents to \$1.10 per box on an f.o.b. basis.

Peaches.—The June crop report showed 10,600,000 bushels of peaches in the 10 Southern States, which was fully 5,000,000 more than last year. Georgia expects a commercial crop of at least 6,200 cars, compared with 1932 shipments of a little more than 2,000 cars. Total peach production in the United States may slightly exceed 46,000,000 bushels, as against 42,384,000 last season and 56,575,000 bushels the 5-year average for 1926–1930. California alone expects more than 23,000,000 bushels of peaches; and Georgia about 4,600,000, with a crop of almost 2,000,000 bushels in North Carolina. Shipments from Georgia were approaching a daily average of 100 cars and movement was increasing from other early States. F.o.b. sales of Early Rose peaches were being made in Georgia at 70 to 75 cents per half-bushel basket or \$1.35 to \$1.75 per 6-basket crate of medium-

sized fruit. City jobbing sales of early peaches from the Southeast showed a rather wide range of 50 cents to \$1 per half bushel or \$1.25 to \$2.75 per crate or per bushel basket.

Pears.—June reports indicated a total production of 23,280,000 bushels of pears this year, compared with 22,102,000 last season and a recent 5-year average of 22,921,000 bushels. California may have a rather large crop of 10,000,000 bushels, and Washington and Oregon together may exceed 8,000,000. New York and Michigan expect rather light crops of pears. Shipments of the new crop from California were about to get under way.

Citrus fruits showed irregular condition in June. California oranges improved during May, but the Florida crop declined. Florida grapefruit declined to 68 percent of normal, while this crop in California and Texas registered 80 percent and in Arizona 86 percent. Lemons in California showed a condition 81 percent of normal or 9 points higher than last year. An active summer demand for lemons had increased the California output to more than 100 cars per day. California oranges were moving at the rate of 175 cars daily, but movement from Florida had dropped to less than 100 cars per day. Florida grapefruit was down to 40 cars each day, and light shipments were coming from California and Arizona. Prices continued fairly favorable.

Cherries in 12 important States showed a June 1 condition 64 percent of normal, 4 points lower than last spring and 3 percent below the condition in 1931. Michigan and Wisconsin report good prospects, but condition of this crop is low in New York, Pennsylvania, and Ohio. The Pacific Coast States report better condition than last year, but a decline from 1932 is noticed in Rocky Mountain districts. Recent daily shipments of cherries from California averaged 35 cars, or nearly twice as many as a year ago.

Prunes for marketing as fresh fruit are below last year's condition level in Oregon and Washington, and far below last season in Idaho. The crop for drying in California is not quite up to the condition figure reported a year ago, but is doing better than last year in Oregon and Washington. Plums in California and Michigan are falling short of June 1932, condition. Output of plums and fresh prunes from California had reached a daily average of 35 or 40 cars by July 1, but was still considerably lighter than last season.

Grapes began to move from southern California later than usual and only a few carloads had been shipped by the end of June. Conditions of the California crop declined during May and registered 72 percent of normal in June, which was 6 percent lower than condition a year ago.

Strawberries in the 10 late States totaled only 3,000,000 crates of 24 quarts, or fully 1,000,000 less than last season. Practically all the reduction was in the Pacific Northwest. Prices at the end of the season were rather low. The total United States strawberry crop was estimated at 13,500,000 crates, or 82,000 less than in 1932, but car-lot shipments and movement by truck exceeded slightly the output of last season.

Cantaloupes and similar melons from Imperial Valley were expected to reach their annual peak around July 1. Considerable quantities were coming from Arizona, Texas, Georgia, and the Carolinas, the total daily output from these States and Imperial Valley together

being about 175 cars. The season total to date from Imperial Valley was not much more than half of last year's corresponding figure. Standard crates of 45 cantaloupes were selling on a cash-track basis in Imperial Valley at \$1.50 to \$1.60 on June 21, with Honey Balls returning \$1.75 and Honey Dews \$1 to \$1.10 per standard crate. City dealers were getting mostly \$2.75 to \$3.75 per standard 45 crate or 95 cents to \$1.75 per flat crate of western cantaloupes, compared with southeastern stock in eastern markets at \$1.75 to \$2.50 per crate, of 45. Honey Balls from California were jobbing at \$3 to \$4.50 per standard crate, while Honey Dews ranged \$1.75 to \$3.

Watermelons from early-shipping districts have been in much lighter supply than last year and prices in general have been much better. During late June the movement from Georgia and Florida was averaging nearly 300 cars per day, while Texas shipped 35 and Imperial Valley 50 cars daily. Movement was beginning in other Southern States. Shippers in southern Georgia were getting \$150 to \$250 per carload of medium-sized Tom Watsons, with Dixie Belles ranging \$150 to \$175 cash track. Tom Watsons in southern Texas returned 75 to 80 cents per 100 pounds and Dales ranged 60 to 70 cents. Small-sized Klondikes in Imperial Valley of California had declined to \$15 to \$20 per ton. City sales of southeastern melons were being made at \$275 to \$450 per carload or 30 cents to \$1 per melon. Several markets quoted Texas stock at \$1.50 to \$2.75 per 100 pounds.

POTATO MARKETS STRONG; OTHER VEGETABLES UNSETTLED

Potatoes of the commercial crop in four second-early States were estimated at 5,000,000 bushels, or 3 percent less than last season. North Carolina had a heavy crop but Midwestern States were short. Commercial production in five intermediate States was forecast at slightly more than 12,000,000 bushels, a decrease of 4 percent from last year. Better yields than in 1932 were expected to be harvested from a reduced acreage. The Eastern Shore of Virginia was reported to have a fairly heavy commercial crop of 6,300,000 bushels, but reductions from last year were expected in Maryland, Kentucky, Missouri, and Kansas. Intermediate acreage in other States also has been reduced.

By late June the Eastern Shore of Virginia was leading, with 350 to 400 cars of potatoes shipped daily, and considerable quantities were coming from Arkansas, Oklahoma, and California, besides lighter shipments from other States. Movement during July should become active in New Jersey, Missouri, and Kansas. Total daily output of new potatoes had recently increased to 700 cars, compared with 75 to 100 cars per day of old stock from storage. Demand was active and prices advanced during late June. Barrels of best Cobblers in North Carolina were returning \$3 to \$3.25 and 100-pound sacks \$1.90 to \$2 f.o.b. shipping points, while shippers on the Eastern Shore of Virginia received \$3.25 to \$3.40 per barrel. General f.o.b. range on new stock in Arkansas and Oklahoma was \$1.65 to \$1.80 per 100-pound bag. Cash prices to growers in Shafter district of California had advanced to \$1.20 to \$1.25 per sack. City jobbing sales of eastern cobbles in barrels were being made at \$3 to \$4.25 and in sacks at

\$2.10 to \$2.40. Texas and central Bliss Triumphs were jobbing at \$1.60 to \$2.50 per 100-pound bag, as against White Rose potatoes from California at \$2.25 to \$2.50. At last report of the season Green Mountains reached 85 cents per 100 pounds sacked in northern Maine, and Round Whites ranged 90 to 95 cents at Wisconsin shipping points. The Chicago car-lot market reached \$1.50 on northern Round Whites and \$1.85 on Idaho Russets. Maine Green Mountains were jobbing in eastern cities at a range of \$1.50 to \$2.

Tomato movement was very active during June from Mississippi and eastern Texas. On many days the total output averaged 300 cars, including light movement from various Southern States. Shipments were becoming active in Arkansas and western Tennessee. During peak movement from central Mississippi, the f.o.b. price on lug boxes declined sharply to 60 to 75 cents, while shippers in eastern Texas got 90 cents to \$1. City jobbing sales of these tomatoes were being made at 75 cents to \$2.25 per lug, compared with other southern stock at 50 cents to \$1.25. The total crop in five second-early States was estimated at 3,200,000 bushels, or just about as many as last year. Compared with 1932, the Mississippi crop was lighter but the Texas crop heavier. Ten intermediate tomato States report plantings of 40,510 acres, or 3,600 less than last year, and a similar reduction is being made in the late-shipping States.

Lettuce movement from Washington was beginning to equal that from central California, the two States together shipping about 100 cars daily, or considerably more than last year. Movement also was getting under way in Idaho, Utah, and Colorado in the West and New York in the East. Cash-track sales in central California were being made at \$1.50 per crate of 4 to 5 dozen heads and at \$1.25 in western Washington. The city jobbing range on this Iceberg-type lettuce was \$2.50 to \$3.75 per crate. New York Big Boston lettuce in crates of 2 dozen heads was selling in terminal markets at a wide range of 30 cents to \$1.25.

Onions were coming from northern Texas at the rate of 40 cars per day, the same as movement from northern California. Other intermediate shipping sections were expected to get under way during early July. Compared with last summer, the total output was light. The 50-pound bags of Yellow Bermudas or Crystal Wax onions were jobbing in numerous cities at \$1.10 to \$1.75. California Yellow Bermudas ranged \$1.25 to \$1.75 and Crystal Wax \$1.25 to \$1.60. A few carloads of old-crop yellow onions were still coming from New York State, and this stock and midwestern yellows sold in a few markets at 50 cents to \$1 per bag of 50 pounds. New York City reported some arrivals of Egyptian onions selling at \$4 to \$4.25 per 110-pound sack.

PAUL FROELICH,
Division of Fruits and Vegetables.

THE HORSE POWER PROBLEM

The number of horses on farms has been declining steadily for over 15 years and the number of mules for about 8 years. These decreases have resulted from the fact that the number of horses and mule colts

raised each year has not been sufficient to offset the death losses and other disappearance of older animals from the farm work-stock population.

During the past 2 years this reduction in the number of available work stock has begun to be reflected in a shortage of animal power on farms in many States. To some extent this has been due to the financial situation in agriculture which has made it difficult for farmers to buy replacements, repairs, and fuel for motor machinery and has forced them to depend more upon animal power for farm work. As a result, the prices of horses and mules declined less during the last 3 years than those of other major farm commodities, and in terms of the units of other farm products needed to buy them, the prices of work animals this spring were the highest in many years. This situation has greatly increased the interest of farmers in the present horse and mule situation, especially as regards the ages of these animals now on farms.

About April 1, 1933, schedules were sent to the crop reporters of the department on which they were asked to report the ages of horses and mules on their farms at that time. Returns from some 29,700 farms were received and from these were computed the percentage age classification and the indicated average age of each species by States, divisions of States, and the United States.

A similar survey was last made in 1927. The accompanying tables have been prepared showing for both horses and mules the percentages in significant age groups and the average ages in 1927 and 1933 for divisions of States and for the United States as a whole. The percentage figures in these tables show the distribution of the horses and mules on the farms of crop reporters in these two years, but do not show the actual numbers by ages. From 1927 to 1933 the number of horses in the United States decreased 21 percent and of mules 16 percent. If the age distribution on crop reporters' farms was typical of the distribution of all horses and mules on farms, then the number in each age group could be obtained by multiplying the estimated number of each species on farms for each year by the percentage in each age group in that year. In separate tables are shown the indicated numbers of horses and mules in the different age groups as computed by this method.

Thus, while the percentage of horses 4 years and under is shown as larger in 1933 than in 1927, the indicated number of such is smaller; the proportion of horses 15 years and over is materially larger in 1933 than in 1927, but the indicated number is very little larger.

It is to be borne in mind that these tables show the age distribution and average age of animals on the farms of crop reporters, based upon reports as to ages in the 2 years. The actual numbers shown in the tables are only what these would be if the age distribution of horses and mules on all farms was the same as that on the farms of crop reporters. It is fairly certain, however, that the age distribution of crop reporters' horses and mules is not representative of the distribution on all farms. Apparently they raise more colts and have more young horses and mules and fewer old horses and mules than do farmers in general.

The Department of Agriculture makes an estimate of the number of horses and mules on farms January 1 each year and these are separated into colts under 1 year, colts 1 year and under 2, and horses (or mules) 2 years old and over. The number of colts under 1 and 1 to 2 are based upon the 1920, 1925, and 1930 census reports. The number under 1 year old January 1 represents the number of colts raised the preceding year (the colt crop). If the number of horse and mule colts raised each year, beginning with those of 1918 as indicated by the 1920 census, are projected to 1933 by making allowance for death losses during the intervening time, the percentage and indicated actual number of horses and mules under 15 years is much smaller, and over 15 years much larger than that indicated by the distribution shown on crop reporters' farms. The indicated average age of horses is 12.2 years and of mules 15.3 years, compared to 10.8 and 11.2 shown by the crop reporters. The number over 15 years of age is 36 percent of the total for horses and 51 percent for mules, compared to 22 percent and 19 percent indicated by the crop reporters.

While it is thus apparent that the reports from crop reporters as to the age distribution of horses and mules on their farms do not give a true picture of the age distribution on all farms, the changes between 1927 and 1933 on the crop reporters' farms are in fair agreement with the changes on all farms during this period as determined by comparing the 1927 classification based upon colt crops and disappearance in preceding years with the 1933 classification similarly based. In both cases the percentage of horses 4 years old and under increased between 1927 and 1933, the percentages of horses 5 to 9 years old and 10 to 14 years old decreased and the percentages of horses 15 years old and over increased.

Likewise, the percentage decrease in the number of work stock on the crop reporters' farms between 1927 and 1933 shown by comparing the average number of horses and mules, combined, per farm in 1927 with the average in 1933 is practically the same (19 percent) as the percentage decrease in the total on all farms as computed from the estimates of the Department of Agriculture of the number on January 1, 1927, and on January 1, 1933.

In both 1927 and 1933 the crop reporters gave the number of tractors on their farms, in addition to the number of work stock. In 1927 there were 29.5 tractors for each 100 farms tabulated and in 1933 there were 42.2, an increase of nearly 45 percent. The questionnaire sent out about April 1 this year also asked as to the number of tractors that would not be used this year. For the whole country the intentions expressed at that time showed that 19 percent of the tractors would not be used. It is quite probable, however, that the lateness of the season in many areas and the improved prices for many farm products since April 1 have resulted in a smaller reduction in tractor use than was indicated by these reports.

PERCENTAGE IN VARIOUS AGE GROUPS AND AVERAGE AGE ON CROP REPORTERS' FARMS

HORSES

	North Atlantic		North Central East		North Central West	
	1927	1933	1927	1933	1927	1933
4 years and under.....	5.9	8.5	14.3	19.3	21.0	22.2
5 to 9 years.....	27.2	23.9	29.2	24.7	33.4	28.5
10 to 14 years.....	37.7	33.4	33.2	27.8	29.9	27.1
15 years and over.....	29.2	34.2	23.3	28.2	15.7	22.2
Average age.....	12.0	13.3	10.6	11.7	9.3	10.7

	South Atlantic		South Central		Western		United States	
	1927	1933	1927	1933	1927	1933	1927	1933
4 years and under.....	12.3	17.9	17.5	19.6	27.1	26.1	19.2	21.8
5 to 9 years.....	31.4	23.1	37.4	29.6	33.9	32.0	32.8	28.1
10 to 14 years.....	36.8	31.0	31.7	30.9	27.7	25.4	31.0	27.7
15 years and over.....	19.5	28.0	13.4	19.9	11.3	16.5	17.0	22.4
Average age.....	10.5	11.9	9.3	10.8	8.3	9.7	9.6	10.8

MULES

	North Atlantic		North Central East		North Central West	
	1927	1933	1927	1933	1927	1933
4 years and under.....	12.0	5.6	23.7	16.9	40.2	22.7
5 to 9 years.....	31.7	36.8	41.0	35.1	37.0	38.5
10 to 14 years.....	33.2	34.7	19.8	29.2	14.4	24.7
15 years and over.....	23.1	22.9	15.5	18.8	8.4	14.1
Average age.....	10.8	12.1	8.6	10.8	6.6	9.7

	South Atlantic		South Central		Western		United States	
	1927	1933	1927	1933	1927	1933	1927	1933
4 years and under.....	7.7	4.2	19.0	11.8	35.8	21.9	22.9	12.2
5 to 9 years.....	35.3	30.8	42.1	37.3	33.0	34.7	39.2	35.8
10 to 14 years.....	40.2	39.2	28.5	34.0	22.7	26.8	26.7	33.2
15 years and over.....	16.8	25.8	10.4	16.9	8.5	16.6	11.2	18.8
Average age.....	10.5	12.7	8.6	11.0	7.4	10.1	8.5	11.2

INDICATED TOTAL NUMBER IN UNITED STATES

	Horses (000 omitted)		Mules (000 omitted)	
	1927	1933	1927	1933
4 years and under.....	2, 950	2, 652	1, 328	608
5 to 9 years.....	5, 041	3, 418	2, 274	1, 783
10 to 14 years.....	4, 764	3, 369	1, 549	1, 654
15 years and over.....	2, 613	2, 724	650	936
Total.....	15, 368	12, 163	5, 801	4, 981

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THE DOMESTIC DAIRY MARKET SITUATION

Although there was some slight irregularity in the dairy markets in June, the price trend was generally upward. There was some disappointment that the demand for dairy products for current consumption did not show the strength desired, especially on butter, but this caused no particular anxiety because of the recognition that there is an inevitable lag between improvement in business conditions and consumers' purchasing power. The markets are building on the basis that the present recovery is more permanent than any of the preceding ones of the past 3 years, and that an expansion in consumption requirements may be expected as pay rolls show further increase, as more employees go back to work.

Particularly encouraging was the tendency of prices to show further advances following the slight recession of late May. Quotations on 92-score butter at New York advanced from 21½ cents on June 1 to 23½ cents on June 24 (the date of this writing), bringing prices practically back to the high point reached in early May. This was a net gain of 2 cents per pound, compared with a decrease of 1 cent for the same period last year. Normally, butter prices continue to decline in June, which is the month of peak production, but the factors previously enumerated were sufficiently strong to offset the effects of seasonal influences.

Prices for cheese and evaporated milk held unchanged, but the tendency of fluid-milk prices was irregularly higher. Some of the most important milk markets to report upward revisions were Boston, with an advance of 73 cents per hundred pounds in dealers' buying prices, and 1 cent per quart in retail prices; Philadelphia, 30 cents in buying prices, and 1 cent in retail prices; and Minneapolis, 65 cents in buying prices for part of the supply, and 2 cents in retail prices. In some of the lesser important markets, slight downward adjustments were made, but these were either largely seasonal or in areas where previous decreases in milk prices had not been as great as in other sections.

News in the field of production was varied. Pastures so far this season have not improved to the extent of a year ago, according to the latest crop reports. However, with a reported increase in the number of cows on farms and higher prices for dairy products, the total production of milk is estimated to be holding close to last year's level. The production of creamery butter, following a decline of 4.4 percent in May under the production of May 1932, increased 0.3 percent over June last year, and the production of cheese increased 4.1 percent. Evaporated milk was up 11.9 percent, but condensed milk was 7.8 percent less. The combined estimated production of creamery butter, cheese, condensed and evaporated milk in May, on a milk equivalent basis was 1.7 percent higher than in May last year.

The apparent consumption of manufactured dairy products in May was again slightly above that of last year, due once more to an exceptionally large increase in the trade output of evaporated milk. The consumption of creamery butter was apparently 3.5 percent less than in May last year, cheese and condensed milk practically the same, but evaporated milk 44.7 percent larger. This is the third consecutive month in which the apparent consumption of evaporated milk has been over 40 percent larger than during the same month last year. The combined trade output of these four commodities, on a milk equivalent basis, was about 0.6 percent larger than in May last year.

Stocks of creamery butter in cold storage made substantial additions in May and on June 1 amounted to 34,555,000 pounds compared with 29,160,000 pounds on June 1, last year, and 31,803,000 pounds on June 1 for the 5-year average. This was a gain of about 277 percent over the stocks of the previous month, compared with a gain of 190 percent for the same period last year, and 160 percent for the 5-year average.

Stocks of all cheese in storage on June 1, amounted to 48,458,000 pounds, which were less than the stocks in storage on June 1 both last year and the 5-year average. Stocks of condensed milk in manufacturers' hands on June 1, were about 26 percent less than the stocks of the same date last year, and stocks of evaporated milk about 70 percent less.

The combined milk equivalent of all dairy products in storage on June 1 was about 16 percent less than a year earlier. Due to the sharp gain in butter stocks in May this combined decrease was not quite as large as the 29 percent reported on May 1.

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Division of Dairy and Poultry Products.

THE EGG AND POULTRY MARKET SITUATION

The egg markets in June exhibited a slightly irregular trend, with prices declining fractionally during the early part of the month, but showing some evidence of recovery along toward the close. Receipts were considerably heavier than a year ago during the first

3 weeks, but as many shipments showed more than the usual amount of summer defects, particularly heat, the supply of high-quality eggs at times was limited, and prices for these displayed an increasing spread compared with quotations for lower grades. Egg production for the present season has already reached and passed its peak, and market shipments are showing their usual seasonal decline. All fine-quality eggs, both white and mixed colors, should therefore, hold their own or even do better as the season advances into lighter receipts and poorer quality. The markets seem to be well supplied with eggs of the lower grades, and the trade is bending every effort to move as many of these as possible directly into consumption in preference to storing.

The statistical position of the market continues to be an unsettling factor. Receipts, while decreasing seasonally, still remain above those of a year earlier, although of recent weeks there has been a tendency for this margin to narrow. The trade output of the four markets for the first 3 weeks of June was about 13 percent less than for the corresponding period of last year. With receipts heavier and consumption lighter, it continued necessary to store more eggs than a year ago, and the rate at which eggs piled up in storage in June showed no indication of decreasing. There was, however, a marked absence of speculative buying, except on occasional price recessions, with most of the stock going to storage being to the account of receivers, or joint accounts of receivers and shippers.

The stocks of 8,047,000 cases in storage on June 1, were held by many to be too large for that date to offer much prospects for profit on the fall and winter markets, particularly in view of the fact that the number of hens and pullets in farm flocks continue to be larger than the number of a year ago, while the output of baby chicks by commercial hatcheries so far this season shows an increase of 6.4 percent over a year ago. Others seem to feel that in spite of the larger number of hens and pullets in farm flocks, there will be an earlier and more pronounced drop in production, giving an opportunity to begin the out-of-storage movement into consumption slightly sooner than a year ago. In addition, they feel that the present improvement in business conditions will carry over into the fall and winter, and that consumer's purchasing power will show a consequent expansion. If so, more eggs will be needed for consumption requirements. These conflicting opinions have, however, made it practically impossible for the market to develop any definite trend in either direction, and at the present moment developments are very closely watched for a cue as to the future trend of values.

The dressed poultry markets on the whole were slightly easier in June than in preceding months. Supplies of fowl increased heavily under the usual summer culling, and as consumption was affected adversely by hot weather at times, prices eased off about 3 cents per pound from the opening quotation of the month, increasing the margin under last year's prices to 4 cents compared to an earlier difference of only 1 cent. At the lower level, buying picked up slightly, both for current consumption and speculation, with fair-sized storage commitments being made in several instances. Supplies of broilers likewise increased, and although buying held fairly

steady, prices declined 1 cent. Quotations on other classes remained unchanged, although the market was easier and dealers stood willing to make occasional concessions.

The market on frozen poultry was also easier, mostly in sympathy with the market on fresh. Frozen fowl decreased 3 cents and broilers 1 cent. Quotations previously established on other classes remained unchanged, although dealers did not hold as firmly to asking prices as they did a month earlier. The movement of frozen chickens into consumption is reported to have taken a sharp drop following the price advance of last month. This is borne out by the storage movement in the four principal terminal markets, which for the first three weeks of June last year amounted to a net decrease of about 2,000,000 pounds, whereas this year there was a net increase of over 1,200,000 pounds. This change in trend was not altogether due to the smaller out-movement of frozen stocks, but in part was due to the speculative storing of fowl.

The market on frozen turkeys was also inclined to weakness after the middle of the month. The low prices of fowl and a considerable quantity of fresh summer turkeys has cut seriously into the regular outlets for frozen turkeys.

Statistically, the poultry market has lost but little of its strength of the past few months. Stocks of frozen poultry in storage on June 1, amounted to 38,096,000 pounds compared to 44,829,000 pounds on June 1 last year, and 45,372,000 pounds for 5-year average for that date. Since June 1, however, stocks have shown a slight tendency to increase, whereas a year ago the trend was still outward. Receipts at the principal markets continue above those of last year, but this is being partially offset by a somewhat larger trade output.

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Division of Dairy and Poultry Products.

AGRICULTURAL LOANS OUTSTANDING

Recent significant developments in agricultural finance include enactment of the Agricultural Credit Act of 1933 providing for 12 production credit corporations and 12 banks for cooperatives to have the same location and be under the same direction as the Federal land banks. A central bank for cooperatives is created also. The production credit corporations may subscribe stock in local production credit associations formed by 10 or more farmers which in turn may rediscount with the intermediate credit banks.

Crop production loans extended in 1933 totaled \$53,000,000 to June 1. Life insurance loans on farms averaged 8 percent of their total investments for the first five months of 1933, compared with 11 percent for 1928-29. Mortgage bankers reported 9 percent of 1932 farm loans as new loans and 91 percent renewals; 36 percent of loans were delinquent January 1, 1933. Bankruptcies among farmers increased 20 percent in 1932, the first increase since 1925. Approximately 3,300 banks, mostly in rural sections, have remained closed or have operated on a restricted basis since the banking holiday.

LOANS OUTSTANDING ¹

[Millions of dollars]

Year and month	Farm mortgage loans by—				Federal intermediate-credit bank loans—		Seed and crop production loans		
	Federal land banks	Joint-stock land banks	40 life insurance companies	Member banks	To co-operative associations	To financing agencies	Advanced, current	Re-paid, current	Out-standing end of year or month
1926-----	1, 078	632	1, 588	489	53	40	² 2	---	2
1927-----	1, 156	667	1, 618	478	32	44	---	---	2
1928-----	1, 194	605	1, 606	444	36	45	---	---	2
1929-----	1, 197	585	1, 591	388	26	50	6	5	3
1930-----	1, 188	553	1, 554	387	64	66	5	3	5
1931-----	1, 163	530	1, 512	359	45	75	54	6	53
1932									
January-----	1, 158	525	1, 512	---	43	75	---	4	49
June-----	1, 139	470	1, 467	363	36	80	68	8	109
September-----	1, 129	454	1, 443	368	19	83	---	7	102
December-----	1, 116	³ 409	1, 402	356	10	83	---	12	90
1933									
January-----	1, 112	³ 404	1, 394	---	7	81	---	2	88
February-----	1, 110	³ 399	⁴ 1,382	---	7	80	---	2	86
March-----	1, 107	³ 395	⁴ 1,368	---	6	81	13	1	98
April-----	1, 105	³ 390	⁴ 1,357	---	5	78	34	1	131
May-----	1, 103	386	---	---	4	78	6	1	136

¹ See April 1932 issue for sources.² Total since 1921.³ Omits \$53,000,000 owed 3 banks in receivership.⁴ Data for 39 companies.

A general condition of easy money has continued in central markets, recently aided by large purchases of Federal bonds by the Federal Reserve Banks. The discount rate of the Federal Reserve Bank of New York was lowered from 3 to 2½ percent on June 10, and other banks have lowered rates also. Commercial paper rates averaged 2.13 percent for May compared with 2.63 for April. The intermediate credit banks' composite rate on loans and discounts has continued at 3.10 percent since February and Federal land bank rates to borrowers remain at the average rate of 5.58 percent. Yield on Federal land bank bonds averaged 5.60 percent for May compared with 5.85 for April and the yield on 60 high-grade bonds was 5.78 percent for May as compared with 6.38 for April. New farm mortgage financing during the next two years may be expected to be strongly influenced by the important credit provisions of the Agricultural Adjustment Act which authorizes loans at 4½ percent interest.

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PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

Product	5-year average, August 1909- July 1914	June average, 1910-14	June 1932	May 1933	June 1933
Cotton, per pound...cents..	12. 4	12. 7	4. 6	8. 2	8. 7
Corn, per bushel....do....	64. 2	68. 4	29. 4	38. 9	40. 2
Wheat, per bushel....do....	88. 4	89. 0	37. 3	59. 0	58. 7
Hay, per ton.....dollars..	11. 87	12. 16	7. 60	6. 37	6. 43
Potatoes, per bushel cents..	69. 7	71. 8	44. 4	43. 7	49. 4
Oats, per bushel.....do....	39. 9	41. 8	19. 8	21. 7	23. 1
Beef cattle, per 100 pounds dollars..	5. 20	5. 44	3. 81	3. 95	4. 04
Hogs, per 100 pounds do....	7. 24	7. 16	2. 82	3. 88	3. 96
Eggs, per dozen.....cents..	21. 5	16. 7	10. 6	11. 8	10. 1
Butter, per pound....do....	25. 5	23. 2	18. 6	19. 9	19. 9
Butterfat, per pound do....	26. 3	23. 4	14. 6	20. 2	19. 7
Wool, per pound....do....	17. 8	17. 5	7. 2	17. 7	21. 3
Veal calves, per 100 pounds dollars..	6. 75	6. 77	4. 63	4. 50	4. 51
Lambs, per 100 pounds dollars..	5. 90	6. 30	4. 49	4. 72	5. 18
Horses, each.....do....	142. 00	145. 00	61. 00	71. 00	71. 00

COLD-STORAGE SITUATION

[June 1 holdings, shows nearest millions; i.e., 000,000 omitted]

Commodity	5-year average	Year ago	Month ago	June 1933
Apples, total.....barrels..	¹ 539	¹ 673	¹ 1, 567	¹ 590
Frozen and preserved fruits pounds..	50	69	52	52
40 percent cream....40-quart cans..	-----	¹ 169	¹ 53	¹ 109
Creamery butter.....pounds..	32	29	9	35
American cheese.....do....	46	40	37	41
Frozen eggs.....do....	90	95	63	84
Shell eggs.....cases..	¹ 7, 464	¹ 5, 380	¹ 4, 857	¹ 8, 047
Total poultry.....pounds..	45	45	46	38
Total beef.....do....	50	36	31	30
Total pork.....do....	818	796	630	668
Lard.....do....	143	128	72	110
Lamb and mutton, frozen do....	2	1	2	2
Total meats.....do....	944	892	708	751

¹ 3 ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910=1914=100]

Year and month	Wholesale prices of all commodities ¹	Industrial wages ²	Prices paid by farmers for commodities used in— ³			Farm wages	Taxes ⁴
			Living	Production	Living-production		
1910.....	103	-----	98	98	98	97	-----
1911.....	95	-----	100	103	102	97	-----
1912.....	101	-----	101	98	99	101	-----
1913.....	102	-----	100	102	101	104	-----
1914.....	99	-----	102	99	100	101	100
1915.....	102	101	107	104	105	102	102
1916.....	125	114	124	124	124	112	104
1917.....	172	129	147	151	149	140	106
1918.....	192	160	177	174	175	176	118
1919.....	202	185	210	192	200	206	130
1920.....	225	222	222	174	194	239	155
1921.....	142	203	161	141	150	150	217
1922.....	141	197	156	139	146	146	232
1923.....	147	214	160	141	149	166	246
1924.....	143	218	159	143	150	166	249
1925.....	151	223	164	147	154	168	250
1926.....	146	229	162	146	153	171	253
1927.....	139	231	159	145	151	170	258
1928.....	141	232	160	148	153	169	263
1929.....	139	236	158	147	152	170	267
1930.....	126	226	148	140	144	152	266
1931.....	107	207	126	122	124	116	⁵ 250
1932.....	95	178	108	107	107	86	⁵ 215
May:							
1921.....	140	204	-----	-----	-----	-----	-----
1922.....	140	194	-----	-----	-----	-----	-----
1923.....	149	218	-----	-----	150	-----	-----
1924.....	140	217	-----	-----	148	-----	-----
1925.....	148	221	-----	-----	156	-----	-----
1926.....	147	226	-----	-----	154	-----	-----
1927.....	138	230	-----	-----	151	-----	-----
1928.....	142	230	-----	-----	154	-----	-----
1929.....	138	236	-----	-----	152	-----	-----
1930.....	130	228	-----	-----	147	-----	-----
1931.....	107	212	-----	-----	128	-----	-----
1932.....	94	177	-----	-----	109	-----	-----
1932							
November.....	93	171	-----	-----	104	-----	-----
December.....	91	170	105	104	103	-----	-----
1933							
January.....	89	164	-----	-----	102	74	-----
February.....	87	164	-----	-----	101	-----	-----
March.....	88	163	101	101	100	-----	-----
April.....	88	165	-----	-----	101	72	-----
May.....	92	169	-----	-----	102	-----	-----

¹ Bureau of Labor Statistics. Index obtained by dividing the new series 1926=100, by its pre-war average, 1910-1914, 68.5.

² Average weekly earnings, New York State factories. June 1914=100.

³ Revised. These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

⁴ Index of estimate of total taxes paid on all farm property, 1914=100.

⁵ Preliminary.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August 1909-July 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought ¹ 2	Ratio of prices received to prices paid ²
	Grains	Fruits and vegetables	Cotton and cotton-seed	Meat animals	Dairy products	Poultry products	All groups		
1910-----	104	91	113	103	100	104	103	98	105
1911-----	96	106	101	87	97	91	95	102	93
1912-----	106	110	87	95	103	101	99	99	100
1913-----	92	92	97	108	100	101	100	101	99
1914-----	103	100	85	112	100	105	102	100	102
1915-----	120	83	78	104	98	103	100	105	95
1916-----	126	123	119	120	102	116	117	124	94
1917-----	217	202	187	173	125	157	176	149	118
1918-----	226	162	245	202	152	185	200	175	114
1919-----	231	189	247	206	173	206	209	200	104
1920-----	231	249	248	173	188	222	205	194	106
1921-----	112	148	101	108	148	161	116	150	77
1922-----	105	152	156	113	134	139	124	146	84
1923-----	114	136	216	106	148	145	135	149	90
1924-----	129	124	211	109	134	147	134	150	89
1925-----	156	160	177	139	137	161	147	154	95
1926-----	129	189	122	146	136	156	136	153	89
1927-----	128	155	128	139	138	141	131	151	87
1928-----	130	146	152	150	140	150	139	153	91
1929-----	121	136	145	156	140	159	138	152	91
1930-----	100	158	102	134	123	126	117	144	81
1931-----	63	98	63	93	94	96	80	124	65
1932-----	44	71	46	63	70	80	57	107	53
June:									
1921----	117	140	78	105	132	114	110	-----	-----
1922----	111	197	160	121	128	113	128	-----	-----
1923----	119	161	207	103	142	114	133	150	89
1924----	116	146	219	105	126	115	130	148	88
1925----	164	184	183	139	130	135	148	156	95
1926----	130	216	132	154	128	138	139	154	90
1927----	140	201	119	129	132	102	130	152	86
1928----	152	168	162	150	134	127	145	155	94
1929----	111	120	146	163	135	140	135	152	89
1930----	106	193	115	141	118	103	123	147	84
1931----	67	114	65	91	86	81	80	127	63
1932----	44	82	37	57	62	59	52	108	48
1932									
November--	34	57	47	57	68	115	54	104	52
December--	33	59	43	52	69	121	52	103	50
1933									
January----	34	59	45	51	68	96	51	102	50
February----	34	57	44	53	62	57	49	101	49
March-----	36	60	48	56	59	54	50	100	50
April-----	47	66	49	57	59	56	53	101	52
May-----	62	68	65	65	63	62	62	102	61
June-----	63	74	69	66	65	55	64	103	62

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Revised.